Joint meeting of the Council on Technology Services and CIO Advisory Board

DRAFT MINUTES

Tuesday, September 24, 2002

Commonwealth of Virginia Information Technology Symposium

Virginia Military Institute, Lexington

1:00 p.m. – 3:30 p.m.

ATTENDANCE

COTS Members:

Secretary of Technology George Newstrom
Gary Allen (VDOT)
Tim Bass (VRS)
Cheryl Clark (DIT)
Hud Croasdale (Tech)
Ray Davis (DGIF)
Chris Doss (VIPNet)
Jan Fatouros (DGS)
Larry Hengehold (VCCS)
C. Preston Huff (LVA)
Joy Hughes (GMU)
Carole Inge (Longwood)
Ken Mittendorff (SCV)
David Molchany (FFX County)

Lan Neugent (VDOE)
Gerry Pacyna (SCC)
Jim Peters (VEC)
Chris Saneda (ABC)
Bill Shinar (VGIN)
Jerry Simonoff (DTP)
Ernie Steidle (DRS)
Harry Sutton (DSS)
Philip D. Vasquez (DMV)
Mark Willis (VCU)
Bill Wilson (DLAS)

CIO Advisory Board Members:

Christopher G. Caine (IBM)
James P. Donehay (Inkstone)
Deb Horvath (GE Insurance)
Lyn McDermid (Dominion)
Mark Morneau (Gannett)
Z. Kelly Queijo (for Mary Guy Miller, IDD)
Walter L. Waleski (Media Gen.)

Staff:

Jenny Hunter (Executive Director)

Presenters, Guests, and Representatives:

Susan Barr (VMI)
Bethann Canada (VDOE)
Courtney Carpenter (W&M)
Bill Casey (Unisys)
Elton Ghee (Roanoke County)
Wanda Gibson (FFX County)
H. Steven Goad (Cox)
Hal Greer (JLARC)
Joe Grossnickel (IBM)
Steve Hammond (GTSI)
Bernie Hill (DTP)
Tom Hopkins (VMI)

Dale Hulvey (JMU)
Wayne Jones (ODU)
Sue Keith (Oracle)
Bud Kinzer (EIS)
Ray Kirby (Radford)
Sonja Korb (VRS)
Timothy Kutz (Kutz)
Dan Lender (BEA)
Ben Lewis (Keane)
Therese Long Shelesky (GTSI)
Paul Lubic (DTP)
JoJo Martin (VDOT)
Stanley Mattos (Unisys)
Ted Maxwell (DOLI)
Belchior Mira (DHRM)
Kelly Mire (KPMG)
Newton Munson (VIMS)
Dave Neudeck (VIPNet)
Fred Norman (CVC)
Chuck O'Keeffe (Microsoft)
Don Parr (KPMG)
Shirley Payne (UVA)
Robert Reynolds (UVA)
Nelly Romero (DMAS/CACI)
Scott Roer (GTSI)
Jeb Stewart (Tech)
Christy Swanson (Nextel)
John Talyor (Software AG)
Todd Van Haaren (Software AG)
Brian Ward (UVA-Wise)
Rusty Waterfield (ODU)
Mary Zdanius (Gateway)
Dan Ziomek (DTP)

WELCOME AND OPENING REMARKS

COTS Executive Director Jenny Hunter called the meeting to order at 1:15 p.m., and thanked everyone for coming. Secretary of Technology George C. Newstrom welcomed everyone and recognized Bill Casey and Stan Mattos of Unisys for sponsoring the

luncheon prior to the meeting for the Council, the CIO Advisory Board, and the Higher Education CIOs. Secretary Newstrom also acknowledged Colonel Susan Barr and thanked Virginia Military Institute for hosting the joint meeting of the COTS and CIO Advisory Board and the Commonwealth of Virginia Information Technology Symposium (COVITS).

Ms. Hunter introduced the seven new members of the Council on Technology Services and the new member of the Chief Information Officer Advisory Board:

- **Gary Allen**, Chief Technology, Research and Innovation Officer, Virginia Department of Transportation
- **Hud Croasdale**, Director, Strategic Partnerships in Information Technology, Virginia Polytechnic Institute and State University (Virginia Tech)
- **Carole Inge**, Director, Institute for Teaching Through Technology and Innovative Practices, Longwood University
- **Charlome Pierce**, Technology Director, Surry County Public Schools
- **Harry R. Sutton**, Director for the Division of Information Systems, Department of Social Services
- **Philip D. Vasquez**, Deputy Commissioner, Department of Motor Vehicles
- **Mark D. Willis**, Executive Director, Administrative Information Technology, Virginia Commonwealth University

The new member to the CIO Advisory Board is **Jack Ezzell, Jr.** He is president and CEO of Zel Technologies in Hampton, Virginia.

APPROVAL OF MINUTES

Ms. Hunter introduced the minutes from the July 31 meeting of the Chief Information Officer Advisory Board. The minutes were approved unanimously and will be posted to the CIO Advisory Board website at www.cio.state.va.us.

Ms. Hunter introduced the minutes from the July 11 meeting of the Council on Technology Services. The minutes were approved unanimously and will be posted to the COTS website at www.cots.state.va.us.

THE GOVERNOR'S STRATEGIC PLAN FOR TECHNOLOGY: HIGHLIGHTS

Secretary Newstrom said the Governor's strategic plan for technology will be released the next day (September 25) following the Governor's remarks at COVITS. Development of the plan spanned six months and the plan will drive where Virginia is going in the global

digital economy and through its use of technology to support the functions of state government. Printed copies of the plan executive summary will be available at noon on the 25th and a CD-Rom with electronic versions of the full plan and the executive summary.

Secretary Newstrom shared Governor Warner's three imperatives that guided the strategic planning process:

1. Develop Virginia as a major entity in the global economic marketplace.
2. Develop the role of the CIO so that Virginia's technology resources are the most effective and efficient and meet the needs of our customers—the citizens of the Commonwealth. The Commonwealth spends about $1 billion on technology so it is a priority to determine how to "do" technology more efficiently and cost-effectively.
3. Ensure that all of Virginia shares in the growth and success of our participation in the global economic marketplace. It is important to the Governor that all of Virginia succeeds, not just pockets of the state.

There are eight major initiatives within the three Governor's imperatives—four initiatives under "Develop the role of the CIO" and four initiatives under the remaining two imperatives. Virginia's Center for Innovative Technology (CIT) is accountable for implementation of the initiatives related to economic growth and ensuring all of the Commonwealth has the opportunity to participate.

Secretary Newstrom said CIT is often thought of as serving the Northern Virginia region. Greater than 80% of the spend benefits other parts of the state outside of Northern Virginia. Secretary Newstrom worked with the CIT Board and the Virginia Research and Technology Advisory Commission (VRTAC) to develop three specific goals for CIT to leverage its $9.2 million appropriation:

1. Investment in technology research at colleges, universities, and small business to attract federal research and development (R&D) dollars. Impact: $71.8 million. Virginia received $283 million in federal research dollars in 2000, in the 7 to 9 percent growth range. CIT is charged with increasing federal research dollars by 20 percent in 2003, increase Small Business Innovation Research (SBIR) dollars by one percent of the national total, and increasing Advanced Technology Program (ATP) funding by 25 percent in 2004.

2. Commercialization of intellectual property (IP) from universities and federal labs to result in licensing revenue and new company formation. Impact: $25 million. By exporting IP all over the world, Virginia can grow its economy, grow entrepreneurs,

help start-ups, and help universities.

3. Technology-based economic development to grow jobs and competitiveness in all areas of the Commonwealth. Impact: $250 million. The Secretary is working with the Secretary of Commerce and Trade who has an overall economic development goal of $2 billion. Sixteen percent of the total is IT-related. Virginia is also working as partners to build and grow the digital economy.

Another goal for CIT is to develop broadband coverage, particularly in rural regions where it is less defined and less measurable.

As a result, the total return on investment achieved by CIT will be $346.8 million. The CIT Operating Plan has a clear focus and mission for the organization, is metric-driven, and is measurable.

For the imperative to strengthen the role of the CIO, Secretary Newstrom noted Virginia spends a great deal of money on technology in a diffuse way that does not leverage the state's buying power. Initial observations from data collected to date lead to the following conclusions about IT in the state:

1. Unnecessary duplication of effort. Secretary Newstrom noted there are more than 50 mainframe/mid-range computers, more than 2,700 servers and approximately the same number of IT employees, more than 100,000 square feet of floor space, and more than 50 data centers (at least 30 in Richmond area). According to agency plans, more than a dozen administrative systems, particularly in the areas of finance and human resources are planned for implementation in the current biennium.

2. Inefficient allocation of resources. Approximately 1,400 LANs are administered by 54 different agencies, and 65 percent of servers are due for replacement in the next five years.

3. Millions spent unnecessarily on IT projects and resources. Approximately $556 million has been spent by agencies over the last five years on financial management systems, according to the Auditor of Public Accounts.

4. Inability to promote and adopt best practices.

Secretary Newstrom said the technology strategic plan provides significant opportunity to impact the Commonwealth. The four major initiatives in the area of the role of the CIO

include:

1. Revolutionize service delivery to our customers through implementation of a customer-facing Internet portal and increasing the quantity, quality, and adoption of online services. Secretary Newstrom urged COTS members to challenge the “but we’re special” argument, as citizens are demanding better service and more convenience.
2. Consolidate IT infrastructure and provide centralized services as a technology utility. Secretary Newstrom argued it is no longer feasible to do technology in 63 different ways, with 13 separate enterprise resource planning (ERP) systems underway. Security is a major issue and is not currently consolidated.
3. Plan, budget, and track IT expenditures by developing a capital planning and funding process for IT, developing a comprehensive technology management policy, and improving systems to track IT expenditures. Enterprise-wide decisions must be made, and the budgeting paradigm must be shifted.
4. Manage IT procurement by developing and implementing a best practice model for effective and timely IT procurements.

Secretary Newstrom emphasized that the technology plan is not a technology solution. Technology is not an end unto itself—it supports the business of government. The plan requires a significant cultural change in how the company called the Commonwealth of Virginia is run.

Given the fiscal climate, Virginia does not have the luxury to continue doing business as it has been done. Secretary Newstrom said the plan has been approved by the Governor’s office and a due diligence effort is underway to verify the data collected in the survey put out over the summer by the Department of Technology Planning. Following completion of the due diligence, a gap analysis will be performed. Recommendations to the Governor and Secretary of Finance will be delivered by the end of November for direction on how much, how fast, how wide, and how deep.

Secretary Newstrom thanked the COTS members for their help in data collection and encouraged members to work together to get through the budget shortfalls announced by Governor Warner. An audience member asked about partnering with the Commonwealth. Secretary Newstrom replied that both the public and private sector parties must have a win to be successful, live up to commitments, and not look for handouts.

EXECUTIVE COMMITTEE UPDATE

David Molchany provided an update on the activities of the COTS Executive Committee. The Executive Committee developed a proposed Workgroup structure aligned with the major thrusts of the strategic plan for technology. The following actions were proposed:

1. Transitioning three COTS Workgroups to focus groups, including Enterprise Architecture, Telecommunications, and Seat Management. These groups will assist in further development and refinement of these activities.
2. Merging Privacy, Security and Access with the Digital Signatures Initiative Workgroup to form the Security Workgroup to support the consolidation of security in the state.
3. Reconstituting the Communications Workgroup to form the Change Management Support Workgroup to assist with all aspects of strategic plan implementation.
4. Combining the State and Local Application and Network Infrastructure Workgroup with the Web Services Workgroup to form the Internet Services Workgroup. This Workgroup would assist with improving and increasing online services to citizens.
5. Maintaining the status of the Commonwealth Enterprise Systems Workgroup and the Technology Management Workgroup that were created and chartered earlier this year.
6. Deactivating the IT Recruitment and Retention Workgroup until further notice.

COTS WEB SERVICES WORKGROUP: WEB SERVICES FINAL REPORT

Web Services Workgroup Chairman Tim Bass introduced the final report of the Workgroup on Web Services in the Commonwealth. Mr. Bass thanked the Workgroup members for their dedication and commitment.

The charter for the Workgroup was to evaluate Web Services and supporting technologies that promote the development of sharable applications accessible via the Internet and/or intranets. The group was to determine the viability of Web Services as an application development and integration approach that will create a secure, standard-based platform independent framework for interoperability that support business activities of the Commonwealth.

Web Services are self-contained business functions that operate in a Web-based environment and are written to strict specifications. Examples of Web Services functions are messaging, directories of business capabilities, and descriptions of technical services. The promise of Web Services is improved interaction and interoperability.

The Workgroup conducted a series of pilot tests surrounding the change of address function in a number of agencies, institutions of higher education, and localities. Working

in partnership with private sector leaders in Web Services, the Workgroup developed the following findings and conclusions:

1. The service specifications for Web Services work as designed—the Workgroup was able to create a network of loosely coupled, reusable services that communicated and cooperated with each other.
2. The specifications for Web Services are not mature.
3. Web Services technology is not inherently “fast” to implement. Web Services will, however, appreciably accelerate the development process in a sustained manner and reduce time-to-deployment once an organization has begun to establish a cache of reusable services.
4. Some degree of centralized management for UDDI directories and WSDL definition they contain may be appropriate.
5. Interoperability and integration are not completely facilitated by Web Services technology, but they help significantly.
6. It is unclear whether the current Web Services specifications will be enhanced to include specialized functions that will allow organizations to efficiently “manage” complex services.
7. Web Services continues to require a significant investment in people, particularly coordination and communication.
8. No firm direction has been set in the private or public sector of a cost model for “consuming” Web Services.
9. Web Services technology, at present, can make use only of security specifications and products on the market today.

The Workgroup developed the following recommendations from their experience with Web Services specifications:

1. Web Services technology, while not mature, is indeed viable and a strategic next step for developing platform-neutral, Web-based applications (services) that can be shared and/or reused by entities capable of communicating using the proper specifications and protocols.
2. Web Services technology does provide a critical link in terms of facilitating application interoperability and integration in a world where business processes have come to depend upon both web and legacy environments.
3. The Commonwealth’s significant commitment and impressive progress toward extending services to the citizens and businesses of the state via the web position it well to make use of this new technology. If implemented, Web Services will significantly improve business process efficiency and performance through improved application interoperability and integration.
4. COTS should establish a workgroup that will define procurement criteria for

products that create, implement, and maintain Web Services technology. Web Services deployments should focus on low- to moderate-risk business processes and applications and provide for thorough staff training.

5. COTS should consider the merits of becoming actively involved with relevant technical committees of the W3C and OASIS organizations. This would improve the Commonwealth's ability to influence future proposed standards and evaluate technological developments very early in their life cycle.
6. COTS should request DTP to begin reviewing all relevant policies, standards and guidelines for possible changes and enhancements that will accommodate and properly channel the use of Web Services technology.

NEW BUSINESS/PUBLIC DISCUSSION/CLOSING REMARKS

No new business was introduced.

ADJOURN

Ms. Hunter thanked everyone for coming and adjourned the meeting.

Respectfully Submitted

Jennifer W. Hunter
Executive Director

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